

Message Text

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PAGE 01 QUITO 01015 140126Z
ACTION ARA-10

INFO OCT-01 EUR-12 NEA-10 ISO-00 NSC-05 CIAE-00 DODE-00
PM-04 SS-15 INR-07 INRE-00 SSO-00 NSCE-00 IGA-02
ACDA-07 /073 W
-----140136Z 029393 /66

O R 140050Z FEB 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC IMMEDIATE 3212
INFO AMEMBASSY LIMA
AMEMBASSY MOSCOW
AMEMBASSY ROME
AMEMBASSY SANTIAGO
AMEMBASSY TEL AVIV
AMCONSUL GUAYAQUIL
USCINCSO QUARRY HEIGHTS CZ

C O N F I D E N T I A L QUITO 1015

E.O. 11652: GDS
TAGE: MILI, PFOR, EC, IS, UR, PE, IT
SUBJ: EVALUATION OF RAYTHEON REP'S ASSESSMENT OF ECUADOR TO
UNDERSEC COOPER

REF: A) STATE 032718 B) QUITO 1014 C) QUITO 0979

1. COUNTRY TEAM BELIEVES THAT RAYTHEON REPRESENTATIVE'S
ESTIMATE OF WHAT IS LIKELY TO HAPPEN REGARDING GOE PROCUREMENT
AS A RESULT OF THE KFIR VETO IS NOT OVERSTATED. HOWEVER, HE
MAY HAVE BEEN A BIT OPTIMISTIC ON A FEW POINTS IN VIEW OF THE
MUCH LARGER INFLUENCE THAT THE SOVIETS MAY HAVE HERE AS A
RESULT OF THE US DECISION (REF B).

2. AT THE PRESENT TIME, BARRING A CHANGE IN THE US ATTITUDE
TOWARD AIRCRAFT SALES, WE EVALUATE THE RAYTHEON STATEMENTS
AS FOLLOWS:

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A. SEE REF B FOR BASIC ESTIMATE THAT THERE EXISTS GOOD
POSSIBILITY OF SOVIET AIRCRAFT SALES.

B. RAYTHEON WILL BE VICTIMIZED BY ECUADOREAN AIR FORCE'S
OUTRAGE AT US ACTION AND IS THEREFORE UNLIKELY TO GET THE
\$120 MILLION CONTRACT WHICH IT HAS ALMOST LANDED.

C. & D. WE WILL BE FORTUNATE IF AIR TRAFFIC CONTROL AND ANTI-AIRCRAFT CONTRACTS GO TO EUROPEANS. IF SOVIETS MANAGE TO SELL PLANES, THEY WILL ALSO BE EXTREMELY STRONG CONTENDER FOR AIR DEFENSE COMPONENTS.

3. IN TERMS OF OVERALL ECONOMIC IMPACT ON THE US, OF THE US DISAPPROVAL OF THE KFIR SALE AND RELUCTANCE TO SELL ALTERNATE AIRCRAFT, THE DEPARTMENT MAY BE INTERESTED IN THE FOLLOWING CALCULATIONS:

INCREASED AID TO ISRAEL (IN MILLIONS) - \$285

INCREASED OFFSET TO ARABS - \$285

LOSS OF RAYTHEON CONTRACT - \$120

LOSS TO GE (KFIR ENGINES) - \$ 25

LOSS TO NORTHROP OF F-5 SALES - \$100

TOTAL \$815

IN ADDITION, FINAL GOE APPROVAL OF THE \$100 MILLION PLUS SETTLEMENT WITH GULF HAS BEEN HELD UP BECAUSE OF THE KFIR FLAP.
BLOOMFIELD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY PROCUREMENT, FIGHTER AIRCRAFT, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977QUITO01015
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770051-0624
Format: TEL
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770244/aaaabmwr.tel
Line Count: 88
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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